Impact of Central Budget on wholesale price Index

471. SHRI MURLIDHAR CHANDRAKANT BHANDARE:
SHRI MAHENDRA PRASAD:
SHRI SURESH PACHOURI:

Will the Minister of FINANCE be pleased to state:

(a) what is Government's assessment about the impact of Central Budget 1990-91, levies and imports on the wholesale price-index base-year 1981-82, from March 20 to April 30 indicating the index readings week to week;

(b) what are the main contributing factors for the rise in the price-index, indicating the item-wise price rise and their weightage as reflected on the index: and

(c) what steps are being taken by Government to keep the prices under check?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) Between March 17, 1990 (pre-Budget week) and April, 21,1990 the latest available wholesale Price Index (1981-82-100) registered an increase by 1.7 per cent. The week to week movment in WPI is given below.

Week ending 1990	WPI (1981-82-100)	Weekly Change (per cent)
March 17	169.5 (P)	0.1
March 24	170.3 (P)	0.5
March 31	170.7 (P)	0.2
April 7	171.6 (P)	0.5
April 14	172.2 (P)	0.3
April 21	172.4 (P)	0.1

(P)– Provisional

The rise in WPI cannot be attributed entirely to the Budget levies and imports becasuse at par of it is due to seasonal factors and imbalances in demand and supply of certain commodities.

(b) Prices have risen mainly on account of imbalances in demand and supply of essential commodities, fiscal imbalances leading to higher liquidity growth and inflationary expectations generated by speculative activities.

Price rise for broad groups of items between March 17 and April 21, 1990 alongwith their weightage in the WPI is given in the Annexure-(*See* Appendix CLIV, Annuxure No. 30).

(c) Government has taken several steps to curb inflation including maintaining supplies of essential commodities through public distribution system necessary imports, strict fiscal and monetary discipline including close monitoring of budgetary deficit and actions against hoarders anp blackmarketeers.

Waiving of Farm Loans in Andhra Pradesh

472. SHRI TALARI MANOHAR Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Andhra Pradesh Government decided to

waive farm loans upto Rs. 10,000 advanced by the cooperative banks to small and marginal farmers; and

(b) if so, whether Central Government will extend 50 per cent of subsidy on this count?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI) : (a) and (b) Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) have reported that they do not have information about the decision taken by Government of Andhra Pradesh to waive farm loans upto Rs. 10,000/-advanced by the Co-operative Banks to small and marginal Farmers. Government of India has announced a scheme for providing debt relief to farmers, artisans and weavers who had taken loans upto Rs. 10,000/-from various banks, including cooperatives. Government of India will bear the full responsibility of debt relief in respect of loans taken from public sector banks and Regional Rural Banks. In order to assist the State Governments, the Central Government will bear 50 per cent of the burden of relief on loans provided by State Cooperative Banks (SCBs) and State Land Development Banks (SLDBs).

IFCI Direction to Modis to appoint Directors/Managing Directors

473. SHRI SURENDER SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Industrial Finance Corporation of India has on behalf of all public financial institutions directed certain companies of Modis to appoint Managing and other Directors;

(b) if so, what is the basis on which the direction or suggestion has been made; and

(c) what are the names of the Directors appointed in pursuance thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (c) The Industrial Finance Corporation of India (IFCI) and other all-India Financial Institutions normally stipulate conditions regarding broad-basing of the Board of Directors and strengthening management set up wherever felt necessary while sanctioning financial assistance,

IFCI on its own and on behalf of other participating institutions has desired for strengthening management set up in certain companies of Modis by appointing Managing Director/ whole time Directors, keeping in view the large stake of institutions, share-holding of the institutions and size and magnitude of the project, in terms of rights available under the respective loan agreements.

In respect of Modi Rubber Ltd. (MRL) institutional representation on the Board was increased from 3—6 Directors and Shri Vaidyanathan, a whole time Finance Director has been appointed. Names of the institutional nominee Directors are S/ Shri M. Ramaswamy, A. A. Saiyid, S. K. Rishi, S. Shankar, J. C. Malhotra and M. K. Venkateshan.

Stalling the transfer of officials in Haryana by Election Commission

474. SHRI SHIV PRATAP MISHRA: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether Election Commission has taken any action to stall the transfer of officials by Haryana Government from Meham, Darba Kalan and Ambala cantonment ; and